GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4376
ANSWERED ON:19.05.2006
NRIs INVESTMENT
Mandal Shri Sanat Kumar

Will the Minister of FINANCE be pleased to state:

(a) the details of NRIs investment made during the last three years. State-wise and sector-wise;

(b)the details of the recent guidelinesof the Government on NRI investment;

(c)the details of offers received from the NRTs during the current year; and

(d)to the extent to which the NRI investment have helped in the development of the country, so far?

Answer

To be answered by Minister of State in the Ministry of Finance (SHRI PAWAN KUMAR BANSAL)

(a): The details of NRIs investment made during the calendar years 2003, 2004, 2005 and 2006 (January - February) are at Annex.

(b), (c) & (d): Foreign Direct Investment (FDI) flows, including non-resident Indians (NRIs) investments, augment domestic resources. Government has put in place a liberal FDI Policy wherein most of the activities are on automatic route. The general policy and facility for FDI as available to foreign investors/companies are fully applicable to NRIs as well. In addition, Government have extended additional opportunities for NRIs which include (i) investment in domestic airlines up to 100%, and (ii) investment by individual NRI beyond 24% in small scale industries provided they do not have a stake in any other industrial undertaking. NRis are allowed also to make bulk investment for revival of sick unit to the extent of 100%. They are also allowed to invest without any limit on non-repatriable basis in Indian companies and proprietary/partners hip concerns subject to the investee company/firm not being engaged in agricultural/plantation activity, real estate business, chit fund or Nidhi company activities.